

## Education Cabinet

# Kentucky's unemployment rate down in October

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FRANKFORT, Ky. — Kentucky's seasonally adjusted unemployment rate fell from 6.1 percent in September 2007 to 5.6 percent in October 2007, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. October 2006's jobless rate was 5.7 percent.

The U.S. seasonally adjusted jobless rate remained at 4.7 percent from September 2007 to October 2007, according to the U.S. Department of Labor.

Four of the 11 major nonfarm job North American Industry Classification System (NAICS) sectors reported employment increases in October 2007, while six decreased, and one was unchanged, according to OET. A decrease of 100 jobs in October 2007 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,856,500. Since October 2006, Kentucky's nonfarm employment has increased by 12,500.

According to the seasonally adjusted employment data, the government sector, which includes public education, added 1,900 jobs in October 2007. Since October 2006, this sector has risen by 4,000 jobs.

The financial activities sector grew by 400 jobs in October 2007. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 1,700 jobs over the past 12 months.

"The financial activities sector gained overall; however, real estate and rental businesses lost 100 jobs in October 2007. This employment decrease is reflective of weakness in the housing market and the credit crunch. Both of these factors act to reduce mortgage and home-equity loan applications," said Justine Detzel, OET chief labor market analyst.

The employment figure in the natural resources and mining sector rose by 300 jobs from September 2007 to October 2007. Since October 2006, the segment has risen by 600 jobs.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, gained 300 jobs in October 2007. This area had 900 more jobs in October 2007 than in October 2006.

The number of jobs in the professional and business services sector was unchanged from September 2007 to October 2007. This area had 3,900 more employees in October 2007 than in October 2006. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support management, including temporary help agencies.

Kentucky's educational and health services sector decreased by 1,000 jobs in October 2007. Since last October, this segment has gained 2,500 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

"The majority of job losses in the educational and health services sector occurred in health care and social assistance businesses and primarily resulted from a strike at a major hospital chain," Detzel said.

The manufacturing sector recorded 800 fewer jobs in October 2007 compared to September 2007. Compared to October 2006, jobs in the sector were down by 4,200 in October 2007.

"Both the durable and nondurable goods subsectors of the manufacturing sector experienced employment losses, but the majority of the decline was in non-durable goods such as clothing. In an effort to make ends meet, consumers are cutting spending on non-necessities to compensate for rising energy prices," Detzel said.

The construction sector declined by 600 positions in October 2007. Since October 2006, employment in this job area has gone up by 700.

The leisure and hospitality sector lost 300 jobs in October 2007. Since October 2006, employment in the sector has increased by 1,700 positions. The leisure and hospitality sector includes arts, entertainment, recreation, accommodations, and food services and drinking places industries.

"The decline in leisure and hospitality employment is reflective of consumers cutting discretionary spending in response to the credit crunch, housing slump and rising energy prices," said Detzel.

Kentucky's trade, transportation and utilities sector had 200 fewer jobs in October 2007. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and is the largest sector in Kentucky with 378,500 employees. Since October 2006, the number of jobs in this sector has increased by 400.

The information sector reported 100 fewer job in October 2007. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, had 300 more jobs in October 2007 than a year ago.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for October 2007 was 1,944,093 on a seasonally adjusted basis. This figure is down 1,137 from the 1,945,230 employed in September 2007, but up 11,030 from the 1,933,063 employed in October 2006.

The monthly estimate of the number of unemployed Kentuckians for October 2007 was 116,407, down 9,222 from the 125,629 Kentuckians unemployed in September 2007, and up 446 from the 115,961 unemployed in October 2006.

The monthly estimate of the number of Kentuckians in the civilian labor force for October 2007 was 2,060,500. This figure is down 10,359 from the 2,070,859 recorded in September 2007, but up 11,476 from the 2,049,024 recorded for October 2006.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at [www.workforce.ky.gov](http://www.workforce.ky.gov).